

103^D CONGRESS
1ST SESSION

S. 173

To amend title II of the Social Security Act to provide for a more gradual period of transition (under a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. DECONCINI (for himself, Mr. HARKIN, Mr. HEFLIN, Mr. HOLLINGS, Mr. SHELBY, Mr. DASCHLE, Mr. BURNS, Mr. PRESSLER, Mr. PELL, Ms. MIKULSKI, and Mr. BRYAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title II of the Social Security Act to provide for a more gradual period of transition (under a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Social Security Notch
3 Adjustment Act of 1993”.

4 **SEC. 2. EXPANSION OF PERIOD OF TRANSITION; NEW AL-**
5 **TERNATIVE FORMULA WITH RESPECT TO**
6 **SUCH PERIOD.**

7 (a) EXPANSION OF PERIOD OF TRANSITION.—Sec-
8 tion 215(a)(4)(B)(i) of the Social Security Act (42 U.S.C.
9 415(a)(4)(B)(i)) is amended by striking “1984” and in-
10 serting “1989”.

11 (b) ESTABLISHMENT OF NEW TRANSITIONAL FOR-
12 MULA.—Section 215(a) of such Act (42 U.S.C. 415(a))
13 is amended by adding at the end the following new para-
14 graph:

15 “(8)(A) Paragraphs (1) (except for subparagraph
16 (C)(i) thereof) and (4) do not apply to the computation
17 or recomputation of a primary insurance amount for an
18 individual who had wages or self-employment income cred-
19 ited for one or more years prior to 1979, and who was
20 not eligible for an old-age or disability insurance benefit,
21 and did not die, prior to January 1979, if in the year for
22 which the computation or recomputation would be made
23 the individual’s primary insurance amount would be great-
24 er if computed or recomputed under subparagraph (B).

25 “(B) The primary insurance amount computed or re-
26 computed under this subparagraph is equal to the sum

1 of the amount which would be computed under this sub-
 2 section if this paragraph were not applied, plus the prod-
 3 uct (not less than zero) derived by multiplying—

4 “(i) the excess of the adjusted old-law benefit
 5 amount over the new-law benefit amount, by

6 “(ii) the applicable reduction factor.

7 “(C) For purposes of this paragraph, in the case of
 8 any individual described in subparagraph (A)—

9 “(i) The term ‘adjusted old-law benefit amount’
 10 means the amount computed or recomputed under
 11 this subsection as in effect in December 1978 (for
 12 purposes of old-age insurance benefits in the case of
 13 an individual who becomes eligible for such benefits
 14 prior to 1989) or subsection (d) (in the case of an
 15 individual to whom such subsection applies), subject
 16 to the amendments made by section 5117 of the
 17 Omnibus Budget Reconciliation Act of 1990.

18 “(ii) The term ‘new-law benefit amount’ means
 19 the amount which would be computed under this
 20 subsection if this paragraph were not applied.

21 “(iii)(I) The term ‘applicable reduction factor’
 22 means the excess of the applicable base percentage
 23 determined under subclause (II) over the applicable
 24 early retirement percentage determined under
 25 subclause (III).

1 “(II) The applicable base percentage deter-
 2 mined under this subclause is the percentage pro-
 3 vided in the following table:

“If the individual becomes eligible for old-age insurance benefits in:	The applicable base percentage is:
1979	40 percent
1980	37 percent
1981	34 percent
1982	31 percent
1983	25 percent
1984	20 percent
1985	15 percent
1986	10 percent
1987	5 percent
1988	5 percent.

4 “(III) The applicable early retirement percent-
 5 age determined under this subclause is the product
 6 derived by multiplying $\frac{5}{12}$ of 1 percent by the total
 7 number of months, before the month in which the
 8 individual attains the age of 65, for which an old-
 9 age insurance benefit is payable to such individual.”.

10 (c) APPLICABILITY OF OLD PROVISIONS.—Section
 11 215(a)(5) of such Act (42 U.S.C. 415(a)(5)) is amended—

12 (1) in subparagraph (A), by striking “subject to
 13 subparagraphs (B), (C), (D), and (E),” and insert-
 14 ing “subject to subparagraphs (B), (C), (D), (E),
 15 and (F),”; and

16 (2) by adding at the end the following new sub-
 17 paragraph:

18 “(F) In applying this section as in effect in December
 19 1978 as provided in subparagraph (A) in the case of an

1 individual to whom paragraph (1) does not apply by rea-
2 son of paragraph (8)—

3 “(i) subsection (b)(2)(C) shall be deemed to
4 provide that an individual’s ‘computation base years’
5 may include only calendar years in the period after
6 1950 (or 1936 if applicable) and ending with the
7 calendar year in which such individual attains age
8 65; and

9 “(ii) the ‘contribution and benefit base’ (under
10 section 230) with respect to remuneration paid in
11 (and taxable years beginning in) any calendar year
12 after 1981 shall be deemed to be \$29,700.”.

13 (d) CONFORMING AMENDMENT.—Section
14 215(a)(3)(A) of such Act (42 U.S.C. 415(a)(3)(A)) is
15 amended in the matter following clause (iii) by striking
16 “(4)” and inserting “(4) or (8)”.

17 **SEC. 3. EFFECTIVE DATE AND RELATED RULES.**

18 (a) IN GENERAL.—Except as provided in subsection
19 (c), the amendments made by this Act shall be effective
20 as if included in the amendments made by section 201
21 of the Social Security Amendments of 1977.

22 (b) RECOMPUTATION.—In any case in which an indi-
23 vidual (under title II of the Social Security Act) is entitled,
24 for the month in which this Act is enacted, to monthly

1 insurance benefits under such title which were com-
2 puted—

3 (1) under section 215 of the Social Security Act
4 as in effect (by reason of the Social Security Amend-
5 ments of 1977) after December 1978, or

6 (2) under section 215 of such Act as in effect
7 prior to January 1979 (and subsequently amended
8 and modified) by reason of subsection (a)(4)(B) of
9 such section (as amended by the Social Security
10 Amendments of 1977),

11 the Secretary of Health and Human Services (notwith-
12 standing section 215(f)(1)) of the Social Security Act)
13 shall recompute such individual's primary insurance
14 amount so as to take into account the amendments made
15 by this section.

16 (c) PROSPECTIVE APPLICABILITY.—The amendments
17 made by this Act shall apply only with respect to benefits
18 for months after November 1993.

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